

# HOUSE BILL REPORT

## HB 1164

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**As Reported by House Committee On:**  
Community & Economic Development & Trade

**Title:** An act relating to extending the state sales and use tax credit for public facilities districts created before September 1, 2007.

**Brief Description:** Extending the sales and use tax credit for certain public facilities districts.

**Sponsors:** Representatives Alexander, Hunt, DeBolt, Pettigrew, Armstrong, Lovick, Kessler, Grant, Chase, Haler, Bailey and Moeller.

**Brief History:**

**Committee Activity:**

Community & Economic Development & Trade: 1/24/07, 1/29/07 [DP].

**Brief Summary of Bill**

- Authorizes a county public facilities district (PFD), created before September 1, 2007, located in a county or counties with no other PFD and with a population that exceeds 70,000, to impose a sales and use tax of up to 0.033 percent for the construction or rehabilitation of a regional center so long as work on the regional center commences prior to January 1, 2009.

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### HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

**Majority Report:** Do pass. Signed by 9 members: Representatives Kenney, Chair; Pettigrew, Vice Chair; Bailey, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Chase, Darneille, Haler, Rolfes and P. Sullivan.

**Staff:** Tracey Taylor (786-7196).

**Background:**

A public facilities district (PFD) may be created upon adoption of a resolution by the county legislative authority in which the proposed district is located. A PFD is a municipal corporation, and independent taxing authority within the meaning of Article VII, Section 1 of

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the State Constitution, and a taxing district within the meaning of Article VII, Section 2 of the State Constitution. A PFD is a body corporate and possesses all the usual powers of a corporation for public purposes or specially conferred by statute.

A PFD is authorized to acquire, construct, own, remodel, maintain, equip, re-equip, repair, and operate sports facilities, entertainment facilities, convention facilities or regional centers, together with contiguous parking facilities. In addition to existing authorities, PFDs formed after January 1, 2000, may acquire, construct, maintain, and operate recreation facilities other than ski areas.

The PFDs formed prior to 2002 may impose a 0.033 percent sales tax that is deducted from the state sales tax and is not an increase to taxpayers. A PFD also may levy a 0.2 percent sales tax and a 2 percent lodging tax if approved by a majority of voters in the district.

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**Summary of Bill:**

A county PFD created prior to September 1, 2007, located in a county or counties with no other PFD and in which the total population is greater than 70,000, may impose a sales and use tax of not more than 0.033 percent for the construction or rehabilitation of a regional center. The construction or rehabilitation must begin prior to January 1, 2009.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill is about economic opportunities and the prosperity of a community. In 2006, the community experienced the loss of a major employer with the closure of the mine resulting in the loss of 600 family wage jobs. Now the community is looking for economic diversity, including increased tourism. Assistance with the development of a regional equestrian center, that has a high level of private investment, will provide a needed boost to the tourism sector in Lewis County. A feasibility study has been completed and the area lacks modern professional facilities. The facility will also include a learning center which will help promote agribusiness in the community and provide an excellent resource for our schools. In addition, the facility will provide much needed capacity for hoofed animal rescue. In order to make the 7,000 seat arena and associated equestrian facilities a reality, a public facilities district with bonding authority and some revenue to assist in the financing of this \$60 to \$80 million facility is required. The economic impact of the facility is estimated to bring 150 to 300 construction-related jobs and 30 to 50 full-time jobs once the facility is completed. The equestrian center will act as a magnet to attract added development in the

area, including lodging business and retail. Similar centers in other states have promoted their local equestrian related industry.

(Opposed) None.

**Persons Testifying:** Representative Alexander, prime sponsor; Larry Hewitt, Southwest Washington Regional Equestrian Center; Ron Averill, Lewis County Commissioner; Cy Meyers, Mayor of Winlock; Mary Garrison, South Lewis County Chamber of Commerce; Tom Crowson, Backcountry Horsemen of Washington; Bill Lotto, Lewis County Economic Development Council; and Sue Gordon.

**Persons Signed In To Testify But Not Testifying:** None.